



Press Release

June 21, 2016

Telia Company divests Sergel to Marginalen

Telia Company has agreed to divest Sergel Group (“Sergel”), its Nordic and Baltic credit management services (CMS) and debt purchase business, to Marginalen AB and Marginalen Bank Bankaktiebolag (jointly “Marginalen”) for SEK 2,070 million on a cash and debt free basis. The proceeds will generate a positive net cash effect of approximately SEK 1,870 million and strengthen Telia Company’s balance sheet. The transaction is conditional on relevant regulatory approvals, from the Swedish Financial Supervisory Authority as well as local Competition Authorities. Closing of the transaction is expected to take place before end of 2016.

Sergel has historically been the in-house collection unit of Telia Company but has gradually expanded its strategic focus to also provide CMS and debt purchase services to external customers. In 2015, Sergel had revenues of around SEK 830 million and contributed with SEK 206 million to Telia Company’s EBITDA excl. non-recurring items, reported within Telia Company’s Other Operations. In April, Telia Company announced a strategic review of Sergel.

As Sergel’s services will remain to be of high importance to Telia Company, Sergel has in connection with the transaction entered into a new partnership agreement with Telia Company regarding delivery of CMS, debt purchase and clearinghouse services by Sergel to Telia Company.

“Telia Company is currently undergoing a great transformation. We are focusing on our core business and are looking for opportunities close to the core. Following this transaction, Sergel will be better equipped to leverage on current business opportunities. I am satisfied that through the partnership agreement we have secured a continued close collaboration between Sergel and Telia Company. I am confident that Marginalen will be a dedicated owner and provide Sergel and its employees with an excellent platform for future growth in a responsible and caring way,” says Christian Luiga, CFO of Telia Company.

About Marginalen

Marginalen is a privately-owned bank and financial services company with a total of approximately 700 employees in Sweden, Latvia and Lithuania. In 2015, Marginalen’s total revenues amounted to SEK 735 million. Marginalen Bank, a subsidiary of Marginalen AB, offers lending, saving and insurance services to the public in Sweden, Latvia and Lithuania. As per 31 December 2015, Marginalen Bank had total assets with a book value of SEK 17,430 million and a total deposit volume of SEK 15,191 million. Marginalen Bank is licensed and regulated by the Swedish Financial Supervisory Authority.

Telia Company AB discloses the information provided herein pursuant to the Swedish Securities Markets Act and/or the Swedish Financial Instrument Trading Act. The information was submitted for publication at 08.00 on 21 June, 2016.

For more information, please contact our press office +46 771 77 58 30, visit our [Newsroom](#) or follow us on Twitter [@Teliacompany](#).

Forward-Looking Statements

Statements made in the press release relating to future status or circumstances, including future performance and other trend projections are forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There can be no assurance that actual results will not differ

We’re Telia Company, the New Generation Telco. Our 21,000 talented colleagues serve millions of customers every day in one of the world’s most connected regions. With a strong connectivity base, we’re the hub in the digital ecosystem, empowering people, companies and societies to stay in touch with everything that matters 24/7/365 - on their terms. Headquartered in Stockholm, the heart of innovation and technology, we’re set to change the industry and bring the world even closer for our customers. Read more at <http://www.teliacompany.com/>.



materially from those expressed or implied by these forward-looking statements due to many factors, many of which are outside the control of Telia Company.

We're Telia Company, the New Generation Telco. Our 21,000 talented colleagues serve millions of customers every day in one of the world's most connected regions. With a strong connectivity base, we're the hub in the digital ecosystem, empowering people, companies and societies to stay in touch with everything that matters 24/7/365 - on their terms. Headquartered in Stockholm, the heart of innovation and technology, we're set to change the industry and bring the world even closer for our customers. Read more at <http://www.teliacompany.com/>.